

**OFFICE OF THE TREASURER**

P.O. Box 942809  
 Sacramento, CA 94209-0001  
 (800) 900-3873  
[www.treasurer.ca.gov](http://www.treasurer.ca.gov)



# The Treasury Note

A monthly newsletter of municipal finance  
 February 1, 2002

## 2002-2003 Governor's Budget

Governor Gray Davis released his proposed 2002-2003 budget on January 10, 2002. Education continues to be the State's top funding priority—almost 40 cents of every General Fund dollar in the budget will be spent on K-12 education, and almost 13 cents on every General Fund dollar will be spent on higher education funding. The combination of K-12 and Higher education budget allocations equals \$41.3 billion of the \$80.8 billion budget. Appropriations for health and human services are at \$22.4 billion, for about 28 cents of every General Fund dollar. Education, health and human services, and public safety expenditures constitute 87.5 percent of all State General Fund expenditures. Rainy-day reserves are appropriated at \$511 million.

### 2001-02 Governor's Budget General Fund Budget Summary

(Published 1/10/2002)

(Dollars in Millions)

	2001-2002	2002-2003
Prior Year Balance	\$2,782	\$1,485
Revenues and Transfers	\$77,083	\$79,305
<b>Total Resources Available</b>	<b>\$79,865</b>	<b>\$80,790</b>
Expenditures	\$78,380	\$78,806
<b>Fund Balance</b>	<b>\$1,485</b>	<b>\$1,984</b>

### Budget Reserves and Set-Asides:

Reserve for liquidation of Encumbrances	\$1,473	\$1,473
Special Fund for Economic Uncertainties	\$12	\$511

## Improvements Ahead for California's Infrastructure

In this time of economic uncertainty, the Governor's Budget proposes legislation to authorize and fund an Economic Stimulus Package. The Package will include allowances for the use of general obligation and lease-revenue bonds to finance capital improvements as a necessary part of meeting California's infrastructure needs. The timing of this proposal is particularly advantageous due to this period of historically low interest rates. The use of these bonds will enable the completion of projects that would have otherwise been postponed due to revenue shortfalls. In addition, it will stimulate the economy by creating jobs and spurring demand for materials and services.

The Economic Stimulus Package will appropriate \$678.3 million in lease-revenue bonds to accelerate new public works projects to stimulate the economy and create more than 13,000 new jobs. The proposal primarily consists of accelerating the construction of higher education facility projects. These projects are nearly ready to proceed to construction. The package includes \$279 million for University of California, \$191 million for California State University, \$170 million for California Community Colleges, and \$38 million for various other projects.

In addition to the Economic Stimulus Package, the Governor's proposed general obligation bond measures of \$10 billion for placement before the voters in each of the 2002, 2004, and 2006 election cycles for K-12 and higher education building needs for a total of \$30 billion.

## Frequently Asked Questions

**Q:** How do I buy State of California, new-issue bonds?

**A:** If you are interested in purchasing new-issue State of California bonds, we suggest the following:

Learn when new-issue will be available by checking our "Bond Sales Calendar," located at the bottom of this page. For up to the minute information, please visit our website at [www.treasurer.ca.gov](http://www.treasurer.ca.gov).

Obtain more information about a particular sale by requesting a copy of its Preliminary Official Statement (POS) by calling (800) 900-3873 or by visiting our website. A POS is similar to a corporate prospectus and available approximately two weeks before the scheduled sale date.

Contact your broker about two weeks before the sale date to let him/her know that you are interested in purchasing a particular State of California bond.

**Q:** Where can I find financial information about the State of California?

**A:** The current State of California official statement (OS) holds the information regarding the State's indebtedness, finances, state budget, economy, litigation, and unaudited financial statements. Audited financial statements appear on our website at [www.treasurer.ca.gov/financial/financial.htm](http://www.treasurer.ca.gov/financial/financial.htm). An updated OS will be available this March. If you need additional information or would like to us to send you the OS in March, please contact our office at (800) 900-3873.

## Bond Sales Calendar

## Website Information

Just a reminder, our website provides information that is easy to access. Some of the items you can find are:

*Preliminary Official Statements for upcoming bond sales*

*Redemption and Defeasance notices*

*Program descriptions and contact information for Boards, Authorities, and Commissions*

*Current bond sale calendar*

*California's credit rating history*

*Public meeting agendas*

If you do not have access to a computer from your home, you may be able to access the Internet from your local public library or educational institution.

## Information & Assistance

To receive *The Treasury Note* newsletter monthly, enroll for direct deposit of your payments, also if you have any bond-related questions, please call:  
**(800) 900-3873**

## Coming next month....

New Bond Counsel Appointments,  
General Obligation Bonds, and  
Public Works Board bond sale information.

PROPOSED BOND SALES <sup>1, 2</sup>	AMOUNT	SALE DATE
General Obligation Bonds	\$1 billion	February 2002
Public Works Board	\$172 million	February 2002
General Obligation Bonds	\$1.1 billion	March 2002
Veterans General Obligation Bonds	\$117 million	April 2002
General Obligation Bonds	\$800 million	April 2002

<sup>1</sup> Subject to change

<sup>2</sup> Economic refundings may be added